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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1023 Domestic and export prices declined by 1-3 percent from the previous week due to an increase in exportable supplies and competition from Vietnamese rice. New quotations will likely be limited by competition from Vietnamese rice which is \$50-60/MT cheaper. Exporters are more cautious in making new contracts with some of the Middle East countries due to the current political unrest there.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Feb 21, 2011

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	945	-	990	-	970	915	-	955	964
WR 100 B	520	-	555	-	560	535	540	542	547
PB 100%	520	-	550	-	555	535	540	540	544
PB 5%	515	-	540	-	550	530	535	534	538
WR 5%	510	-	530	-	545	515	535	527	531
WR 10%	500	-	520	-	540	510	-	518	525
WR 15%	495	-	500	-	-	505	-	500	503
WR 25%	470	-	470	-	-	485	-	475	475
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	418	-	430	-	425	-	-	424	422
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.40 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices declined by 1-3 percent from the previous week due to an increase in exportable supplies and competition from Vietnamese rice. The government has reportedly released 900,000 tons of intervention stock for export, resulting in a reduction of the government outstanding stock to 100,000 tons which will be held as safety stock. Some exporters are reluctant to lower quotations due to rumors of large-volume inquiries for white rice from China and African countries. However, a surge in quotations will likely be limited by competition from Vietnamese rice which is \$50-60/MT cheaper. In addition, exporters are more cautious in making contracts with some of the Middle East countries due to the current political unrest there.

The government's weekly benchmark price for white rice for February 14-20, 2011 increased 0.7 percent.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage	14	16	25	16	25

(ton/household) ^{a/}					
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/ c/}					
Jan 24-30	12,989	12,798	10,787	14,206	8,715
Jan 31 - Feb 6	13,009	12,809	10,882	14,306	8,798
Feb 7 - 13	13,106	12,831	10,896	14,306	8,736
Feb 14-20	13,110	12,822	10,925	14,385	8,909
Feb 21-27	13,108	12,789	10,976	14,421	8,969
4. Compensation (1-2), (Baht/ton)					
Jan 24-30	2,311	1,502	213	-	1,285
Jan 31 - Feb 6	2,291	1,491	118	-	1,202
Feb 7 - 13	2,194	1,469	104	-	1,264
Feb 14-20	2,190	1,478	75	-	1,091
Feb 21-27	2,192	1,511	24	-	1,031
5. Market prices (Baht/ton)					
Jan 24-30	13,750	13,500	10,500	15,000	8,350
Jan 31 - Feb 6	13,750	13,500	10,500	15,000	8,400
Feb 7-13	13,750	13,500	10,500	15,000	8,500
Feb 14-20	13,750	13,500	10,500	15,000	8,500
Feb 21-27 ^{f/}	13,750	12,900	10,500	15,500	8,450

Note:

^{a/} Cabinet approval on
Sep. 22, 2009

^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

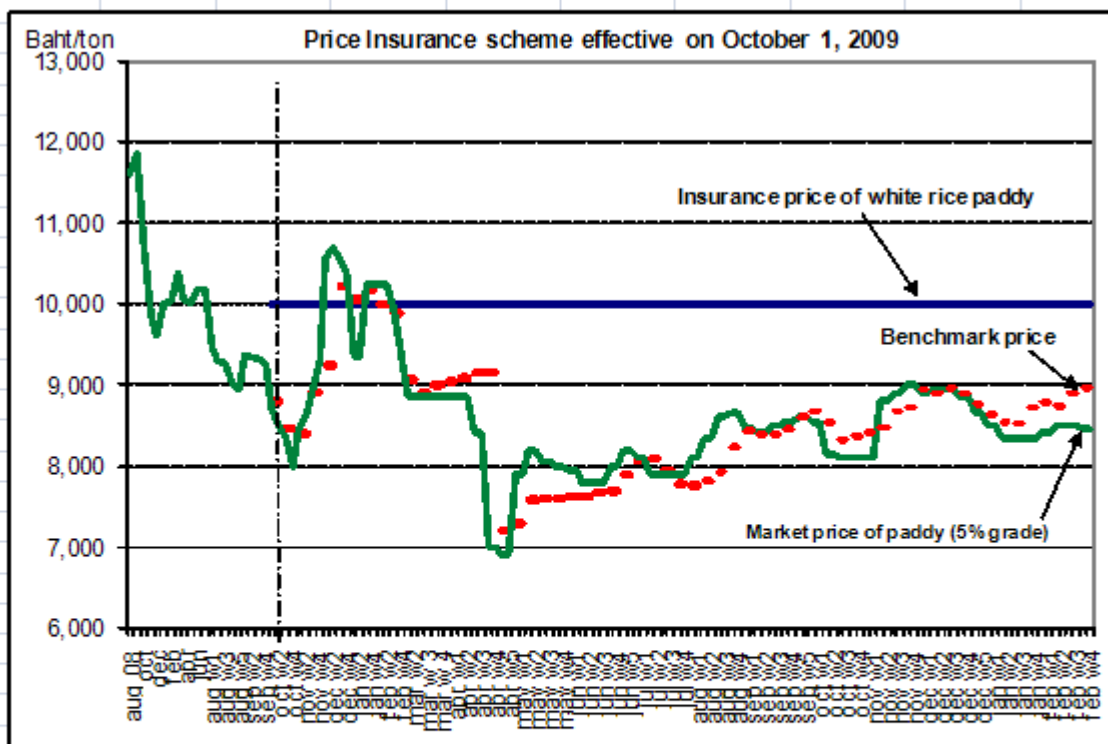
^{c/} Strating Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

^{d/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

^{e/} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 crop.

^{f/} As of Feb. 21, 2011

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: 1/ Benchmark prices are average historical wholesale prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

* Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

* Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for February 14-20, 2011 totaled 188,985 tons, down 25,219 tons from the previous week, and down 2,793 tons from the four week moving average of 191,788 tons. Exports of white rice and parboiled rice during January 1 – February 20, 2011 totaled 1,335,601 tons, up 51.8 percent from 879,920 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – February 16, 2011 amounted to 1,458,031 tons, up 34.3 percent from 1,085,522 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
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	(MT)	(MT)	(TMT)	(TMT)	(%)
Dec 19	191,645	164,806	6,312	5,742	9.9
Dec 26	181,514	170,662	6,493	5,852	10.6
Dec 31	155,420	170,886	6,649	5,896	12.8
Jan 2, 2011	3,600	-	4	1	260.0
Jan 9	186,924	-	191	105	81.8
Jan 16	198,541	-	389	272	42.8
Jan 23	179,423	-	568	420	35.3
Jan 30	166,781	182,917	735	525	40.2
Feb 6	197,142	185,472	932	620	50.4
Feb 13	214,204	189,387	1,147	746	53.6
Feb 20	188,985	191,778	1,336	880	51.8

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales			
Movement (MT)	Jan 31 - Feb 4	Feb 7-11 (Revised)	Feb 14-18 (Preliminary)
Weekly sales	225,694	190,683	206,941
4 week sum	944,347	949,461	885,359
4 week mov. avg.	236,087	237,365	221,340
Year-to-date sales	1,076,295	1,266,978	1,473,919

End of report.